

AH:ty

11/29/2010

1 **AN ACT** *to create* 20.435 (1) (r) and 49.799 of the statutes; **relating to:** establishment
2 of county and tribal consortia to conduct public assistance program integrity
3 activities.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This draft was prepared for the Joint Legislative Council's Special Committee on Public Assistance Program Integrity.

The draft creates a new section in ch. 49, stats., directing the Department of Health Services (DHS) to establish a pilot program for the formation of consortia, comprised of multiple counties and tribal governing bodies, for the purpose of conducting specified activities related to public assistance program integrity.

The draft appropriates general purpose revenue (GPR) for base level funding grants, which will be used by the consortia to implement activities such as the prevention and investigation of fraud, the reduction of errors, the recovery of overpayments, and coordination with local district attorneys' offices to facilitate prosecutions.

The draft also appropriates GPR for competitive grants, directs DHS to establish criteria and reporting requirements with regard to the grants, and requires DHS to submit reports concerning the grants to the legislature 2 years and 4 years after the start of the program.

4 **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the
5 following amounts for the purposes indicated:

				2011-12	2012-13
1					
2	20.435	Health services, department of			
3	(1)	PUBLIC HEALTH SERVICES PLANNING, REGULATIONS, AND			
4		DELIVERY; STATE OPERATIONS			
5	(r)	Public assistance program integrity			
6		consortia	GPR	A	-0- -0-

SECTION 2. 20.435 (1) (r) of the statutes is created to read:

20.435 (1) (r) *Public assistance program integrity consortia grants.* The amounts in the schedule for grants under s. 49.799.

SECTION 3. 49.799 of the statutes is created to read:

49.799 Public assistance program integrity consortia. (1) ESTABLISHMENT OF CONSORTIA. The department shall establish a pilot program to form consortia consisting of groups of counties, or of counties and tribal governing bodies, to improve the efficiency of program integrity activities in public assistance programs. No later than the first day of the [third] [sixth] month after the effective date of this section, the department shall submit to the legislative council rules clearinghouse a draft rule setting forth criteria and requirements relating to establishing and operating the consortia and funding consortia activities under subs. (2) and (3). The department [may] [shall] collaborate with the department of children and families to develop the rules. The rules shall specify all of the following, and any other items determined by the department:

(a) Criteria for the establishment and composition of the consortia, including [a requirement that each county enter into a consortium,] [a requirement that each consortium have at least one full-time equivalent fraud investigator, and] a requirement that each county

1 or tribal governing body entering into a consortium sign a written agreement in the form and
2 containing the provisions required by the department by rule.

3 (b) A method for designating a county or tribal governing body as the lead county or
4 tribal governing body in a consortium.

5 (c) The purposes for which base level funding under sub. (2) and competitive grant
6 funding under sub. (3) may be expended by a consortium and criteria for ranking applicants
7 for competitive grants under sub. (3).

8 (d) The format, content, and due dates for reports to be submitted by each consortia to
9 the department under sub. (3).

10 **(2) BASE-LEVEL FUNDING.** The department shall award, from [one-half of] [two-thirds
11 of] [three-fourths of] the appropriation under s. 20.435 (1) (r), a base-level grant annually
12 during each of the first four fiscal years following enactment of this section to each consortium
13 formed under sub. (1). The department shall determine the amount of each grant based on the
14 proportion of persons receiving benefits under this chapter who reside in the geographical area
15 comprising each consortium. [Each county and tribal governing body in a consortium shall
16 contribute 10% in matching funds of the proportion of the base funding that is based on the
17 county's or tribe's caseload.] The base-level grant funding allocated under this subsection
18 shall be used by consortia to implement the following activities with regard to public
19 assistance programs administered by the participating counties and tribes:

20 (a) Prevention and investigation of fraudulent activities by public assistance program
21 participants or providers.

22 (b) Reduction of errors made in the course of public assistance program administration.

23 (c) Recovery of overpayments made to public assistance program participants as a result
24 of fraud or error.

1 (d) Coordination with local district attorneys' offices to facilitate the prosecution of
2 fraud.

3 (3) COMPETITIVE GRANTS. In addition to providing base-level funding to consortia under
4 sub. (2), the department shall establish a competitive grant program, under which consortia
5 formed under sub. (1) may apply for funds to implement innovative methods to achieve cost
6 efficiency, increase recovery of overpayments, and achieve other related outcomes as
7 specified by the consortium. The department shall establish a system of ranking applicants
8 based on criteria established by the department by rule. These criteria shall give weight to
9 proposals that are [innovative,] cost-effective, and could be replicated by other consortia. If
10 the department selects a consortium to receive a grant under this subsection, the department
11 shall award, from the remaining appropriation under s. 20.435 (1) (r), a grant to the consortium
12 annually during each of the four fiscal years following enactment of this section. Each
13 consortium shall submit reports to the department at the intervals specified in rules
14 promulgated under sub. (1). Reports required under this subsection shall include data that will
15 assist the department in evaluating the effectiveness of methods used to improve program
16 integrity in public assistance programs.

17 (4) REPORTS BY THE DEPARTMENT. In cooperation with the department of children and
18 families, the department shall prepare a report on the effectiveness of grants awarded under
19 sub. (3) for submission to each house of the legislature for distribution under s. 13.172 (3) of
20 the statutes, 2 years and 4 years after the pilot program begins operation.

COMMENTS:

- Does the separation of base-level grants and competitive grants reflect the consensus of the committee? If so, how should funding be allocated between the 2 types of grants?

- The draft directs DHS to establish a consortia model and design a competitive grant program. Should any particular elements of the consortium model or grant program be specified in the statute?
- Should the draft provide for any unique treatment for counties with large public assistance caseloads?
- Should the draft address the level of funding counties and tribes may retain from recoupment of overpayment efforts? Does current law need to be modified with regard to counties' authority to retain recovered overpayments?
- Should the competitive grants be required to be awarded to at least one rural and at least one urban consortium?